



Society of Actuaries in Ireland

ACTUARIAL STANDARD OF PRACTICE PA-1

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Classification

Mandatory

MEMBERS ARE REMINDED THAT THEY MUST ALWAYS COMPLY WITH THE CODE OF PROFESSIONAL CONDUCT AND THAT ACTUARIAL STANDARDS OF PRACTICE IMPOSE ADDITIONAL REQUIREMENTS UNDER SPECIFIC CIRCUMSTANCES.

Legislation or Authority

Council of the Society of Actuaries in Ireland

Application

Fellow and Associate members of the Society of Actuaries in Ireland

Version	Effective from
1.0	06.09.2006
1.1	30.12.2006
1.2	01.11.2010
1.3	01.07.2014

Definitions

‘Code’	means the <i>Society’s</i> Code of Professional Conduct
‘CPD year’	means the year from each 1 July until the following 30 June
‘documentary evidence’	means evidence of participation in a specified CPD activity, and may include receipts for courses, handouts or registration packs, attendance certificates or other written confirmation of attendance from the event organiser, or a copy of the relevant travel expenses form. One form of <i>documentary evidence</i> will usually be sufficient for each activity.

‘learning outcome’	means the knowledge and/or skills which one gains as a result of taking part in a particular activity
‘personally-assessed activities’	means any activities that are not <i>verifiable activities</i>
‘professionalism skills’	means skills related to professional ethics, and the standards that the public and those who employ actuaries expect of a member of a leading profession. They include an understanding of how the profession implements such standards and an appreciation of what this means in practice.
‘service to the <i>Society</i> ’	means participation in work carried out by the <i>Society</i> to deliver on its goals and objectives. This can be done by, for example, being a volunteer member of one of the <i>Society</i> ’s committees/working parties or presenting at <i>Society</i> events.
“ <i>should normally</i> ” and, where the context requires, “ <i>should</i> ”	indicate that members of the <i>Society</i> to whom this Actuarial Standard of Practice (ASP) applies must comply with a particular requirement or prohibition, unless the circumstances are such that the requirement or prohibition is inappropriate and non-compliance is consistent with the standards of behaviour, integrity, competence and professional judgement which other members or the public might reasonably expect of a member
‘Society’	means the Society of Actuaries in Ireland
‘technical skills’	means knowledge and techniques directly relevant to the industry and commercial environment in which an individual is working, including learning about new methodology, training to use existing methodology better, and learning about developments in the business environment and new regulatory requirements. Most events run by the <i>Society</i> provide ‘technical’ CPD.
‘verifiable activities’	means those where either the activity itself, or its outcome, is observed by others. Without prejudice to the generality of the previous sentence, this includes attending <i>Society</i> meetings or other public, formal events, studying a course for an examination which is subsequently passed and preparing material which is published in the public domain.

1 Introduction

1.1 The purpose of the CPD requirements set out in this ASP is:

- 1.1.1 to ensure that all actuaries develop and maintain the professional skills they need; and
- 1.1.2 to ensure that others can confidently trust that they have done so.
- 1.2 The principles underlying the CPD requirements are as follows:
 - 1.2.1 It is important to continue to develop as professionals. Consequently, all working actuaries must complete appropriate CPD each year and keep records that allow them to demonstrate that they have done so.
 - 1.2.2 Actuaries need to discuss, share and debate ideas with others, including those outside their normal work colleagues and clients.
 - 1.2.3 Actuaries need to consider their own developmental needs and plan future learning appropriately.
 - 1.2.4 There is a full range of activities that can contribute to an actuary's development. It may be necessary and desirable for actuaries to undertake CPD activities from outside the actuarial profession, including those provided by employers.

2 CPD categories and exemptions/averaging

- 2.1 Fellow and Associate members fall into one of three categories for the purpose of determining the amount and type of CPD they are required to complete to satisfy the *Society's* requirements.

The CPD categories are:

- Category 1 All actuaries who hold a practising certificate issued by the *Society*
- Category 2 All actuaries who are working, whether on a paid or voluntary basis, but who do not hold a practising certificate issued by the *Society*
- Category.3 All actuaries who are not in work throughout the *CPD year* (because, for example, they are retired or on a career break).

- 2.2 It should be noted that Category 3 does not include actuaries who work only in a part-time or voluntary capacity or whose work is wholly non-actuarial. Actuaries who continue to work fall within one of the first two categories; the requirement for competence is not waived merely because the actuary works in a non-actuarial area, works less than full-time or works in a voluntary unpaid capacity.

- 2.3 Exemptions and averaging:

- 2.3.1 The *Society* may at its discretion exempt actuaries in Category 2 from some or all of the requirements of this CPD Scheme. Exemption may, for example, be granted where a member is carrying out work in which he or she is not expected by his or her employer and/or client(s) to apply knowledge, skills and/or judgement derived from actuarial education

and/or experience. Exemptions will not normally be granted where a member works in the financial services industry or acts as a pension scheme trustee.

2.3.2 The CPD requirements should normally be fulfilled each year. However, the *Society* may in limited circumstances allow averaging over a period of up to 3 years. Averaging will not normally be allowed for actuaries in Category 1.

2.3.3 Where possible (i.e. except in circumstances that could not reasonably be anticipated), exemptions and averaging must be agreed in advance by the *Society*. Applications must be submitted in writing (/by email) to the *Society* and may be automatically refused if not submitted by 31 January in the relevant *CPD year*.

3 CPD requirements

3.1 Introduction

3.1.1 The requirements vary according to an individual actuary's CPD category, as set out in the following paragraphs.

3.1.2 Actuaries in categories 1 and 2 must fulfil the requirements within each *CPD year*.

3.1.3 The CPD requirements are split by *CPD year* in sections 3.2 and 3.3 below:

- 2014/2015 *CPD year* (phasing in of new CPD requirements); and
- 2015/2016 *CPD year* and thereafter.

3.2 Category 1 Requirements

	CPD Year 2014/2015	CPD Year 2015/2016 & thereafter
3.2.1	Actuaries in Category 1 must undertake no less than 20 hours of CPD activities within the 2014/2015 <i>CPD year</i> .	Actuaries in Category 1 must undertake no less than 25 hours of CPD activities within the 2015/2016 <i>CPD year</i> and each <i>CPD year</i> thereafter.
3.2.2	<p>Of those 20 hours*:</p> <p>(a) A minimum of 17.5 hours must be from <i>verifiable activities</i>;</p> <p>(b) A minimum of 15 hours must relate to <i>technical skills</i> that are relevant to the actuary's practice area;</p> <p>(c) A minimum of 3 hours of <i>verifiable activities</i> must be technically relevant to the practising certificate role as it relates to an entity that is operating and regulated in the Republic of Ireland. Examples of relevant topics include the Irish regulatory and professional framework that governs the work, factors (including, where relevant to the liabilities or assets at issue, country-specific factors) that affect the choice of assumptions and other judgements required for the work, and expected developments in the regulatory framework;</p> <p>(d) At least 5 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm.</p>	<p>Of those 25 hours*:</p> <p>(a) A minimum of 20 hours must be from <i>verifiable activities</i>;</p> <p>(b) A minimum of 20 hours must relate to <i>technical skills</i> that are relevant to the actuary's practice area;</p> <p>(c) A minimum of 3 hours of <i>verifiable activities</i> must be technically relevant to the practising certificate role as it relates to an entity that is operating and regulated in the Republic of Ireland. Examples of relevant topics include the Irish regulatory and professional framework that governs the work, factors (including, where relevant to the liabilities or assets at issue, country-specific factors) that affect the choice of assumptions and other judgements required for the work, and expected developments in the regulatory framework;</p> <p>(d) At least 10 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm;</p>

* Where more than one practising certificate is held, please refer to the CPD guidelines on the Society's website for further details.

3.2.3 Actuaries in Category 1 may claim up to 15 hours of CPD for *service to the Society* that contributes to their continuing professional development.

- 3.2.4 Actuaries in Category 1 must complete such training on *professionalism skills* as may be required by the *Society* from time to time, details of which will be published on the *Society*'s website. Actuaries may count such prescribed training towards their annual CPD requirement.
- 3.2.5 There is a requirement for breadth of activity, so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section.
- 3.2.6 From time to time, the *Society* may suggest and/or require learning on designated topics.
- 3.2.7 CPD excludes day-to-day work activities that form a normal part of an actuary's role. Actuaries must not count work activities as CPD unless they can demonstrate that the activities in question are non-routine and contribute in a substantive way to the actuary's professional development.

3.3 Category 2 Requirements

	CPD Year 2014/2015	CPD Year 2015/2016 & thereafter
3.3.1	Actuaries in Category 2 must undertake no less than 17.5 hours of CPD activities within the 2014/2015 <i>CPD year</i> . For this purpose, subject to 3.3.2, any learning activities undertaken that are directly relevant to the actuary's particular (actuarial or non-actuarial) role and contribute to the knowledge, skills and professionalism required for that role, or contribute more generally to the actuary's technical or professional development, may be counted as CPD.	Actuaries in Category 2 must undertake no less than 20 hours of CPD activities within the 2015/2016 <i>CPD year</i> and thereafter. For this purpose, subject to 3.3.2, any learning activities undertaken that are directly relevant to the actuary's particular (actuarial or non-actuarial) role and contribute to the knowledge, skills and professionalism required for that role, or contribute more generally to the actuary's technical or professional development, may be counted as CPD.
3.3.2	Of the required 17.5 hours: <ul style="list-style-type: none"> • A minimum of 12.5 hours must be relevant to the actuary's practice area(s) or role; • A minimum of 5 hours must be from <i>verifiable activities</i>; • At least 2.5 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm. 	Of the required 20 hours: <ul style="list-style-type: none"> • A minimum of 15 hours must be relevant to the actuary's practice area(s) or role; • A minimum of 10 hours must be from <i>verifiable activities</i>; • At least 5 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm.

3.3.3 Actuaries in Category 2 may claim up to 15 hours of CPD for *service to the Society* that contributes to their continuing professional development.

3.3.4 Actuaries in Category 2 must complete such training on *professionalism skills* as may be required by the *Society* from time to time, details of which will be published on the *Society's* website. Actuaries may count such prescribed training towards their annual CPD requirement.

3.3.5 There is a requirement for breadth of activity and so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section.

3.3.6 From time to time, the *Society* may suggest and/or require learning on designated topics.

3.3.7 CPD excludes day-to-day work activities that form a normal part of an actuary's role. Actuaries must not count work activities as CPD unless they can demonstrate that the activities in question are non-routine and contribute in a substantive way to the actuary's professional development.

3.3.8 Actuaries in Category 2 who are absent from work for more than three consecutive months in any one *CPD year* and are not actively seeking work during that time may undertake a proportionate amount of CPD subject to a minimum of 5 hours in respect of that *CPD year*. The 5 hours may be obtained by *verifiable activities, personally-assessed activities* or a mixture of both.

3.4 Category 3 Requirements

3.4.1 Members in Category 3 are not obliged to complete CPD. Any actuary who is retired or on a career break that will continue throughout the *CPD year* must ensure that his or her Category 3 status is recorded in the "My CPD" section of the member's profile on the *Society's* website.

3.5 Alternative arrangements for actuaries practising outside Ireland

3.5.1 The *Society* may at its discretion recognise the CPD requirements of actuarial bodies outside Ireland as being equivalent to the requirements of this ASP, in which event an actuary in Category 2 who practises wholly or mainly in one of the countries concerned and whose practice is governed by those bodies may treat completing those requirements as fulfilling the requirements of this ASP. However, not later than eight weeks after the end of the *CPD year*, the actuary must inform the *Society*, in such form as the *Society* may require, that he or she has adhered to the other actuarial body's CPD requirements.

3.5.2 Actuaries practising outside Ireland are required to retain evidence of compliance with their chosen association's CPD Scheme, including evidence of attendance at CPD events. Supporting evidence should be retained for 3 years and should be submitted to the *Society* on request.

3.6 Changes in category

3.6.1 An actuary who wishes to apply for a practising certificate should normally fulfil the Category 1 requirements in the 12 months before he or she applies. At the *Society's* discretion, an actuary moving from Category 2 to Category 1 may be required to set out a plan to fulfil the CPD requirements as quickly as possible.

3.6.2 An actuary who moves from Category 3 to Category 2 should normally consider whether or not he or she needs a significant extra CPD programme.

4 Recording CPD

4.1 All actuaries must ensure that the correct CPD Category is recorded in the "My CPD" section of the member's profile on the *Society's* website.

- 4.2 Actuaries in categories 1 and 2, including actuaries practising outside Ireland, must keep a record of their CPD activities. They must also keep supporting *documentary evidence* relating to *verifiable activities*, other than attendance at events organised by the *Society*, for three years and must submit such *documentary evidence* to the *Society* on request in such form as the *Society* may require.
- 4.3 All actuaries who are required to do CPD, other than those to whom paragraph 3.5.1 applies, must submit a CPD record in respect of each *CPD year* not later than eight weeks after the end of the *CPD year*.
- 4.4 If an actuary wishes to complete some of the requirements through *personally-assessed activities*, he or she must explain the activity in more detail and briefly describe, in the “learning outcome” section of the CPD submission, how it met the objective of developing or maintaining the actuary’s professional skills.
- 4.5 It is not necessary to record all CPD undertaken, provided that the minimum requirement has been met. It is, however, best practice to record all *verifiable activities*. If more than the minimum is included on the member’s CPD submission, it will be easier to verify that the minimum has been met and any items of marginal acceptability will matter less. This is particularly important if permission to average CPD is ever requested.

5 Monitoring and compliance with Code

- 5.1 This ASP is classified as “Mandatory” and, in accordance with the *Code*, any material failure to comply with its requirements may result in investigation and possible public sanction under the *Society*’s Disciplinary Scheme.
- 5.2 All actuaries are required to submit an annual declaration to the *Society* stating, if it is the case, that, in respect of the previous or current *CPD year* (as applicable), they have adhered to the CPD requirements.
- 5.3 Each year, a sample of CPD records for all Categories, including members practising outside Ireland, will be subject to detailed review, the actuaries concerned being asked to submit *documentary evidence* of their CPD, other than attendance at events organised by the *Society*.

6 Failure to submit details of CPD

- 6.1 Any actuary who fails to submit full and accurate information to the *Society* in accordance with paragraph 3.5.1 or paragraph 4.3 (as applicable) within eight weeks of the end of the relevant *CPD year*, or such later date as the *Society* may at its discretion permit, may, as an alternative to referral under the *Society*’s Disciplinary Scheme, be offered the opportunity to submit the relevant information before a later deadline subject to payment of an administration fee of such amount as Council of the *Society* may from time to time decide.

- 6.2 If an actuary fails to submit full and accurate CPD returns to the *Society* in accordance with this ASP on more than two occasions within any five year period, the *Society* may refer the matter for investigation and possible public sanction under the *Society's* Disciplinary Scheme, regardless of whether or not the actuary has been offered and has availed of an extension in accordance with paragraph 6.1.

EXPLANATORY NOTE

ACTUARIAL STANDARD OF PRACTICE PA-1, VERSION 1.3

This Explanatory Note does not form part of the ASP.

There are a number of changes in Version 1.3 of ASP PA-1. In particular:

- The amount of CPD to be completed has increased.
- The previous Category 2 (actuaries working in areas of practice covered by the actuarial exams, other than practising certificate holders) and Category 3 (actuaries working in other areas) have been merged into a newly-defined Category 2. All actuaries who are in work will be required to carry out CPD activities that are appropriate to their role and/or their ongoing technical or professional development.
- The requirement for members to undertake 2 hours of CPD outside their actuarial specialism has been removed. The requirement to undertake training on professionalism skills as required by the Society remains in place. The detail of the professionalism skills requirements has been removed and is instead included in a separate note on the Society's website.
- The Society may allow late submission of CPD returns (including amendments to incomplete or inaccurate returns) subject to payment of an administration charge. The Society's Council has decided that, until further notice, the administration charge will be €100, payable by the end of the month following the month in which the facility is offered to a member and, in the event of late payment, increasing by €10 for each month or part-month thereafter.

A "tracked changes" version of Version 1.3 is available on request – please email the Society at info@actuaries.ie.